

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L CARACAS 001879

SIPDIS

NSC FOR TSHANNON AND CPARTON
ENERGY FOR DPUMPHREY AND ALOCKWOOD

E.O. 12958: DECL: 05/31/2014

TAGS: [EPET](#) [PGOV](#) [KDEM](#) [VE](#)

SUBJECT: MYSTERIOUS GASOLINE SHORTAGE AFFECTS EASTERN
CARACAS

Classified By: Ambassador Charles S. Shapiro; for reasons 1.4(b) and (d
)

SUMMARY

[11.](#) (C) A gasoline shortage affected the eastern, primarily opposition, portion of the city of Caracas over the weekend of May 29-30. The shortage mysteriously coincided closely with the days of the appeal process for the presidential referendum. While Minister of Energy and Mines Rafael Ramirez attributed the shortages to "technical failures in the billing process," representatives of U.S. companies that operate brand name service stations in Venezuela tell us that Petroleos de Venezuela (PDVSA) claimed not to have received their product orders. We suspect the GOV sought to make the opposition signature appeal more difficult by cutting off the gasoline. End Summary.

OUT OF GAS

[12.](#) (U) On Saturday, May 29, the residents of eastern Caracas (generally opposition) once again woke to find themselves facing gasoline shortages. Some service stations began running out of unleaded gasoline on Saturday and were completely out of products as of Sunday night May 30 or Monday morning May 31. These dates coincided with the May 28-30 dates of the presidential referendum signature appeal process. Addressing the press on May 31, Minister of Energy and Mines Rafael Ramirez attributed the shortages to a technical failure in the billing system at the Guatire plant that administers gasoline to Caracas. According to Ramirez, the dispatch of gasoline had stopped because of this technical failure.

OUT OF CREDIBILITY

[13.](#) (C) Econoff contacted ChevronTexaco and ExxonMobil, both of which have downstream operations in Venezuela, to discuss the situation on June 1. ChevronTexaco Downstream Manager Mauricio Pulido informed econoff that the ten Texaco brand service stations in the eastern part of the city of Caracas had all run out of fuel between Sunday night and Monday morning. ExxonMobil Government Relations Manager Carlos Rodriguez also confirmed that Mobil brand stations in east Caracas, including the Mobil station across the street from ExxonMobil's corporate offices, had run out of product on Sunday, May 30. Pulido reported that the Texaco stations had all received fuel as of Monday night and service had returned to normal which was again echoed by ExxonMobil's report. Pulido added, however, that deliveries to Texaco stations in west Caracas continued as normal through the weekend.

[14.](#) (C) In direct contradiction to Minister Ramirez's press comments, Pulido said that when ChevronTexaco contacted Petroleos de Venezuela (PDVSA) about the suspension of services during the weekend, PDVSA claimed it had not received ChevronTexaco's product orders. When ChevronTexaco responded that it had proof of confirmation that PDVSA had received the orders, PDVSA said the products would be dispatched -- which did not happen until Monday night. ExxonMobil's Rodriguez added that despite repeated calls to PDVSA on Monday, no one had answered the phone.

COMMENT

[15.](#) (C) Venezuela's gasoline dispatch system has been more fragile since the end of the December 2002-February 2003 strike. Caracas, in particular, has been affected because the number of gasoline trucks serving the city has been cut in half since the strike. Despite this we do not believe there is any way to attribute the suspension of service to half the city to "technical reasons." We suspect the GOV

sought to make the opposition signature appeal more difficult
by cutting off the gasoline. If so, they started too late to

have an impact.
SHAPIRO

NNNN

2004CARACA01879 - CONFIDENTIAL